

**STATEMENT OF
CHAIRMAN MICHAEL K. POWELL**

RE: In the Matter of Rules and Regulations Implementing Minimum Customer Account Record Exchange Obligation on All Local and Interexchange Carriers, CG Docket No. 02-386.

RE: Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991, CG Docket No. 02-278.

RE: Presubscribed Interexchange Carrier Charges, CC Docket No. 02-53.

The three items the Commission adopts today continue our efforts to place consumers at the forefront of the Commission's agenda. Specifically, we take action to strengthen the Commission's telemarketing rules, which were amended in 2003. This continues the work begun in 2003 with the establishment of a national do-not-call registry and other consumer protection measures concerning telemarketing calls. The do-not-call registry now contains over 80 million telephone numbers and continues to serve as an option to protect consumers from unwanted telemarketing calls.

Moreover, the rules we adopt today help to ensure that consumers' phone service bills are accurate and that their carrier selection requests are honored and executed without undue delay. Facilitating the exchange of customer account information in certain situations will assist all carriers in resolving billing issues and moving customers seamlessly from one carrier to another. I am pleased that the Commission has endorsed a proposal that has garnered the support of a broad cross-section of the industry. These standards will create greater industry uniformity without imposing unnecessary burdens on carriers.

Finally, we revise the Commission's policies governing charges associated with a consumer's choice to change long distance providers. The current \$5 safe harbor rate was implemented in 1984, and industry and market conditions have changed dramatically since that time. Moreover, the record in this proceeding clearly demonstrates a large disparity between the costs of PIC change charges that are processed electronically versus those that are processed manually. As a result, based on cost data filed in the record, we set a separate safe harbor rate for electronically and manually processed PIC changes -- \$ 1.25 and \$5.50, respectively. Carriers that have invested in the technology to process and submit PIC changes electronically should be rewarded by offering potential customers a lower PIC change rate reflecting the lower costs of electronic processing. Adopting a two-tiered approach provides an incentive for providers offering long distance service to invest in electronic processing capabilities to gain the competitive advantage of lower PIC change charges for customers switching to these services.

I am pleased to support these three interrelated items. They represent the Commissions commitment to protecting individuals throughout the life-cycle of consumer choice – from the decision to change providers, to the costs associated with that choice, to a decision to prevent unwanted telemarketing calls.